

- (1) The term "Small Business Development Center" means a small business development center established pursuant to section 21 of the Small Business Act (15 U.S.C. 648).
- (2) The term "defense technology" means a technology designated by the Secretary of Defense under subsection (d).
- (3) The term "partnership" means an agreement entered into under subsection (c).

(a) TERMINATION OF PILOT PROGRAM.—The pilot program shall terminate one year after the Secretary enters into an agreement under subsection (b).

(h) AUTHORIZATION OF APPROPRIATIONS.—Of the amount authorized to be appropriated under section 201(4) for university research initiatives, \$3,000,000 is available for the pilot program.

SEC. 267. RESEARCH UNDER TRANSACTIONS OTHER THAN CONTRACTS AND GRANTS.

(a) CONDITIONS FOR USE OF AUTHORITY.—Subsection (e) of section 2371 of title 10, United States Code, is amended—

(4) by redesignating paragraphs (1) and (2) as subparagraphs (A) and (B);

(5) by inserting "and" after the semicolon at the end of subparagraph (A), as so redesignated;

(6) by striking out " and" at the end of subparagraph (B), as so redesignated, and inserting in lieu thereof a period;

(7) by inserting "(1)" after "(e) CONDITIONS.—" and (5) by striking out paragraph (3) and inserting in lieu thereof the following:

"(2) A cooperative agreement containing a clause under subsection (d) or a transaction authorized by subsection (a) may be used for a research project when the use of a standard contract, grant, or cooperative agreement for such project is not feasible or appropriate."

(b) REVISED REQUIREMENT FOR ANNUAL REPORT.—Section 2371 of such title is amended by striking out subsection (h) and inserting in lieu thereof the following:

"(h) ANNUAL REPORT.—(1) Not later than 90 days after the end of each fiscal year, the Secretary of Defense shall submit to the Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives a report on the use by the Department of Defense during such fiscal year of—

"(A) cooperative agreements authorized under section 2358 of this title that contain a clause under subsection (d); and

"(B) transactions authorized by subsection (a).

"(2) The report shall include, with respect to the cooperative agreements and other transactions covered by the report, the following:

"(A) The technology areas in which research projects were conducted under such agreements or other

transactions.

"(B) The extent of the cost-sharing among Federal Government and non-Federal sources.

"(C) The extent to which the use of the cooperative agreements and other transactions—

"(i) has contributed to a broadening of the technology and industrial base available for meeting Department of Defense needs; and